



# House of Representatives

General Assembly

**File No. 142**

February Session, 2018

Substitute House Bill No. 5171

*House of Representatives, April 3, 2018*

The Committee on Education reported through REP. FLEISCHMANN of the 18th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT PROHIBITING THE EXECUTIVE BRANCH FROM MAKING RESCISSIONS OR OTHER REDUCTIONS TO THE EDUCATION COST SHARING GRANT DURING THE FISCAL YEAR.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-262i of the 2018 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2018*):

4 (a) For the fiscal year ending June 30, 1990, and for each fiscal year  
5 thereafter, each town shall be paid a grant equal to the amount the  
6 town is entitled to receive under the provisions of section 10-262h.  
7 Such grant shall be calculated using the data of record as of the  
8 December first prior to the fiscal year such grant is to be paid, adjusted  
9 for the difference between the final entitlement for the prior fiscal year  
10 and the preliminary entitlement for such fiscal year as calculated using  
11 the data of record as of the December first prior to the fiscal year when  
12 such grant was paid.

13 (b) The amount due each town pursuant to the provisions of  
14 subsection (a) of this section shall be paid by the Comptroller, upon  
15 certification of the Commissioner of Education, to the treasurer of each  
16 town entitled to such aid in installments during the fiscal year as  
17 follows: Twenty-five per cent of the grant in October, twenty-five per  
18 cent of the grant in January and the balance of the grant in April. The  
19 balance of the grant due towns under the provisions of this subsection  
20 shall be paid in March rather than April to any town which has not  
21 adopted the uniform fiscal year and which would not otherwise  
22 receive such final payment within the fiscal year of such town.

23 (c) All aid distributed to a town pursuant to the provisions of this  
24 section and section 10-262u shall be expended for educational  
25 purposes only and shall be expended upon the authorization of the  
26 local or regional board of education and in accordance with the  
27 provisions of section 10-262u. For the fiscal year ending June 30, 1999,  
28 and each fiscal year thereafter, if a town receives an increase in funds  
29 pursuant to this section over the amount it received for the prior fiscal  
30 year, such increase shall not be used to supplant local funding for  
31 educational purposes. The budgeted appropriation for education in  
32 any town receiving an increase in funds pursuant to this section shall  
33 be not less than the amount appropriated for education for the prior  
34 year plus such increase in funds.

35 (d) (1) For the fiscal year ending June 30, 2018, (A) if the amount of  
36 the equalization aid grant a town is entitled to pursuant to section 10-  
37 262h is greater than its base grant amount, the difference between the  
38 amount of such equalization aid grant and such town's base grant  
39 amount shall be the aid increase for such town for the fiscal year  
40 ending June 30, 2018, and (B) if the amount of the equalization aid  
41 grant a town is entitled to pursuant to section 10-262h is less than its  
42 base grant amount, the difference between such town's base grant  
43 amount and the amount of such equalization aid grant shall be the aid  
44 reduction for such town for the fiscal year ending June 30, 2018.

45 (2) For the fiscal year ending June 30, 2019, (A) if the amount of the

46 equalization aid grant a town is entitled to pursuant to section 10-262h  
47 is greater than the equalization aid grant amount such town received  
48 for the previous fiscal year, the difference between the amount of such  
49 town's equalization aid grant for the fiscal year ending June 30, 2019,  
50 and the equalization aid grant amount such town received for the  
51 previous fiscal year shall be the aid increase for such town for the fiscal  
52 year ending June 30, 2019, and (B) if the amount of the equalization aid  
53 grant a town is entitled to pursuant to section 10-262h is less than the  
54 equalization aid grant amount such town received for the previous  
55 fiscal year, the difference between the equalization aid grant amount  
56 such town received for the previous fiscal year and the amount of such  
57 town's equalization aid grant for the fiscal year ending June 30, 2019,  
58 shall be the aid reduction for such town for the fiscal year ending June  
59 30, 2019.

60 (e) Notwithstanding any provision of the general statutes or any  
61 special act, the Governor shall not reduce allotment requisitions or  
62 allotments in force concerning the equalization aid grant that a town is  
63 entitled to receive under the provisions of section 10-262h and paid  
64 under this section.

65 Sec. 2. Subsection (e) of section 4-85 of the 2018 supplement to the  
66 general statutes is repealed and the following is substituted in lieu  
67 thereof (*Effective July 1, 2018*):

68 (e) The provisions of this section shall not be construed to authorize  
69 the Governor to reduce allotment requisitions or allotments in force  
70 concerning (1) aid to municipalities; (2) the equalization aid grant that  
71 a town is entitled to receive under the provisions of section 10-262h  
72 and paid under section 10-262i, as amended by this act; or [(2)] (3) any  
73 budgeted agency of the legislative or judicial branch, except that the  
74 Governor may propose an aggregate allotment reduction of a specified  
75 amount in accordance with this section for the legislative or judicial  
76 branch. If the Governor proposes to reduce allotment requisitions or  
77 allotments in force for any budgeted agency of the legislative or  
78 judicial branch, the Secretary of the Office of Policy and Management

79 shall, at least five days before the effective date of such proposed  
80 reductions, notify the president pro tempore of the Senate and the  
81 speaker of the House of Representatives of any such proposal affecting  
82 the legislative branch and the Chief Justice of any such proposal  
83 affecting the judicial branch. Such notification shall include the  
84 amounts, effective dates and reasons necessitating the proposed  
85 reductions. Not later than three days after receipt of such notification,  
86 the president pro tempore or the speaker, or both, or the Chief Justice,  
87 as appropriate, may notify the Secretary of the Office of Policy and  
88 Management and the chairpersons and ranking members of the joint  
89 standing committee of the General Assembly having cognizance of  
90 matters relating to appropriations and the budgets of state agencies, in  
91 writing, of any objection to the proposed reductions. The committee  
92 may hold a public hearing on such proposed reductions. Such  
93 proposed reductions shall become effective unless they are rejected by  
94 a two-thirds vote of the members of the committee not later than  
95 fifteen days after receipt of the notification of objection to the proposed  
96 reductions. If the committee rejects such proposed reductions, the  
97 Secretary of the Office of Policy and Management shall present an  
98 alternative plan to achieve such reductions to the president pro  
99 tempore and the speaker for any such proposal affecting the legislative  
100 branch or to the Chief Justice for any such proposal affecting the  
101 judicial branch. If proposed reductions in allotment requisitions or  
102 allotments in force for any budgeted agency of the legislative or  
103 judicial branch are not rejected, such reductions shall be achieved as  
104 determined by the Joint Committee on Legislative Management or the  
105 Chief Justice, as appropriate. The Joint Committee on Legislative  
106 Management or the Chief Justice, as appropriate, shall submit such  
107 reductions to the Governor through the Secretary of the Office of  
108 Policy and Management not later than ten days after the proposed  
109 reductions become effective.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2018	10-262i
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Sec. 2	July 1, 2018	4-85(e)
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***Statement of Legislative Commissioners:***

In Section 2, the new language was moved for clarity.

**ED**      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill has no fiscal impact as it clarifies existing law regarding Education Cost Sharing (ECS) grants and reductions to agency allotments and allotment requisitions.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****sHB 5171*****AN ACT PROHIBITING THE EXECUTIVE BRANCH FROM MAKING RESCISSIONS OR OTHER REDUCTIONS TO THE EDUCATION COST SHARING GRANT DURING THE FISCAL YEAR.*****SUMMARY**

This bill, overriding any general statute or special act, prohibits the governor from reducing allotment requisitions or allotments in force concerning education cost sharing (ECS) aid grants to towns. An allotment requisition is a state agency's formal quarterly request to the Office of Policy and Management (OPM) for the amount it needs to carry out an appropriation's purpose. An allotment in force is an allotment that OPM has granted.

The bill also specifies that ECS grants are not subject to the governor's statutory rescission authority. Existing law already exempts municipal aid, of which ECS aid is considered a part, from rescissions.

EFFECTIVE DATE: July 1, 2018

**BACKGROUND*****Governor's Authority to Reduce Allotment Requisitions or Allotments in Force***

By law, the governor can reduce an allotment requisition or allotment in force if he (1) determines circumstances have changed after the budget's adoption or (2) estimates that budgeted resources will be insufficient to fully fund all appropriations. He may also do so if the comptroller's cumulative monthly financial statement shows a General Fund deficit of more than 1% of total General Fund appropriations. These reductions are called rescissions.

The law limits the amount by which the governor can reduce allotments and restricts him from reducing certain grants and line

items. He may reduce allotments within specified limits—up to 5% of an individual appropriation account within an agency or 3% of total appropriations in a fund – but must seek the legislature’s approval for reductions that exceed these limits (there are exceptions for extreme emergencies). The governor is also restricted from cutting (1) municipal aid, (2) certain “watchdog” agency line items (e.g., the Office of State Ethics), or (3) legislative and judicial branch line items. He may, however, require an aggregate allotment reduction for the legislative and judicial branches (CGS § 4-85(e)).

**COMMITTEE ACTION**

Education Committee

Joint Favorable

Yea    27    Nay    9    (03/14/2018)